



NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT III

19. C.P.(CAA)/71/MB/2023
IN
C.A.(CAA)/229/MB/2022
CORAM: SHRI. H.V. SUBBA RAO, MEMBER (J)
MS. MADHU SINHA, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL
COMPANY LAW TRIBUNAL ON **18.05.2023**

NAME OF THE PARTIES: JSW Ispat Special Products Limited

SECTION 230(I) OF COMPANIES ACT, 2013

ORDER

Mr. Hemant Sethi a/w Ms. Tanaya Sethi, counsel for the Applicant are present through physical hearing and Ms. Rupa Sutar, representative of Regional Director is present through virtual hearing.

C.P.(CAA)/71/MB/2023

Heard the counsel appearing for the Applicant and Ms. Rupa Sutar, representative of Regional Director reported no objection.

Accordingly, the above petition is **allowed**. **Detail order would follow:**

Sd/-
MADHU SINHA
Member (Technical)
Shubham

Sd/-
H.V. SUBBA RAO
Member (Judicial)

Certified True Copy _____
Date of Application 19/5/2023
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Deputy Registrar 09/06/2023
National Company Law Tribunal, Mumbai Bench





IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH, COURT III

CP(CAA)/ 71/MB/ 2023

CONNECTED WITH

CA (CAA)/ 229/ MB/ 2022

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

And

In the matter of Scheme of Arrangement of JSW Ispat Special Products Limited ('JISPL' or 'the Transferor Company') and Mivaan Steels Limited ('MSL' or 'the Transferee Company') and their respective Shareholders and Creditors ('the Scheme' or 'this Scheme')

JSW Ispat Special Products Limited

CIN : L02710MH1990PLC363582

...First Petitioner Company/ Transferor Company

Mivaan Steels Limited

CIN : U27100MH2021PLC371388

...Second Petitioner Company/ Transferee Company

(Collectively referred to as the 'Petitioner Companies')

Order delivered on: 18.05.2023

Coram:

Hon'ble Shri H.V. Subba Rao : Member (Judicial)

Hon'ble Smt. Madhu Sinha : Member (Technical)





Appearances (via videoconferencing):

For the Petitioners : Mr. Hemant Sethi, i/b. Hemant Sethi &
Co.

For the Regional Director (WR) : Ms. Rupa Sutar, Deputy Director

ORDER

1. The Court is convened by videoconference today.
2. Heard Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Scheme nor has any party controverted any averments made in the Petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 to the said Scheme of Arrangement of JSW Ispat Special Products Limited ('JISPL' or 'the Transferor Company') and Mivaan Steels Limited ('MSL' or 'the Transferee Company') and their respective Shareholders and Creditors.
4. Learned Counsel for the Petitioner Companies state that the Board of Directors of the First Petitioner/Transferor Company has approved the proposed Scheme in its meeting held on February 16, 2022 and the Board of Directors of the Second Petitioner/Transferee Company has approved the Scheme on February 25, 2022. The Appointed Date of the Scheme means the close of business hours on March 31, 2022.
5. The Learned Counsel for the Petitioner Companies states that the rationale for the Scheme is as follows:
The Scheme shall be implemented by the Transferor Company along with the Transferee Company (in its capacity as a wholly owned subsidiary of the Transferor Company) on a slump sale basis.
a) *The management of the Transferor Company believes that the Specified Undertaking forms part of the business of the Transferor Company, and*





that the Specified Undertaking and the Remaining Undertaking, each require dedicated management focus and business strategies to ensure that the respective businesses are given the right impetus for growth and to maximize value for all stakeholders

- b) *The Specified Undertaking comprises of certain manufacturing, mining and other facilities that includes a sponge iron manufacturing plant with a capacity of 0.3 MTPA, ferro alloy plant and steel manufacturing plant with a capacity of 0.25 MTPA, which caters to the commodity grade market*
- c) *The strategic focus of the Specified Undertaking (which is to be transferred to the Transferee Company pursuant to the Scheme) is on commodity steel products that caters to the structural and construction sectors with comparatively lower volume of production and serving customers predominantly around its operating area; whereas, the Transferor Company's strategic focus for its Remaining Undertaking is on special steel products catering to HT grades, IBR grades, RDSO grades, automotive, high manganese grades, cold rolling grades and API grades with comparatively higher volume of production serving customers in the exports and domestic markets covering Northern, Eastern and parts of Western region of India.*
- d) *The transfer of the Specified Undertaking to the Transferee Company will enhance the ability of the Transferor Company and Transferee Company to explore and leverage strategic opportunities for their respective business/ undertakings, including fund raising prospects, with the aim of maximizing value.*
- e) *With a view to achieve dedicated management focus on the respective grades of products and customer segments, facilitate strategic opportunities and to maximize the value of each of the Remaining Undertaking*





and the Specified Undertaking, the management of the Transferor Company proposes to transfer the Specified Undertaking, and vest such Specified Undertaking into the Transferee Company (in its capacity as a wholly owned subsidiary of Transferor Company).

- f) *The management of the Transferor Company and the Transferee Company believe that the transfer of the Specified Undertaking from the Transferor Company and vesting of such Specified Undertaking into the Transferee Company is in the larger interest of the shareholders, creditors and employees of the Transferor Company and the Transferee Company and will enhance the prospects of the future growth of the Transferor Company and the Transferee Company, and is likely to result in the following benefits for the Transferor Company and the Transferee Company:*
- i) *enabling the Transferor Company and Transferee Company to focus on their core business strategies and plans with dedicated management focus on their respective grades of products and customer segments;*
 - ii) *facilitating strategic opportunities for the Transferor Company and Transferee Company;*
 - iii) *creating and enhancing stakeholders' value by unlocking the intrinsic value and growth potential for the respective businesses of the Transferor Company and Transferee Company;*
 - iv) *enhancing ability of each of the Transferor Company and the Transferee Company to raise necessary funds and resources for their respective businesses independently;*
 - v) *imparting better management focus, facilitating administrative convenience and ensuring optimum utilization of various resources of the Transferor Company and Transferee Company;*





- vi) increasing efficiencies in management, control and administration of the affairs of the Transferor Company and Transferee Company;*
- vii) no adverse impact on the operations of the Specified Undertaking or Remaining Undertaking is envisaged on account of this Scheme; and*
- viii) achieving an optimum capital structure with commensurate assets which is likely to enhance the business prospects of the Transferor Company as well as the Transferee Company.*
6. Learned Counsel for the Petitioner Companies submits that the Petition has been filed in consonance with sections 230 to 232 of the Act along with the order dated December 01, 2022 passed by this Tribunal in CA(CAA)/229/MB/2022.
7. The Counsel for the Petitioner Companies further submits that the First Petitioner/Transferor Company is engaged in the business of manufacturing and dealing in steel and allied products. The Second Petitioner/Transferee Company is recently incorporated and yet to commence operations. Its main objects are to inter-alia manufacture, mine, produce, process, trade or otherwise deal in steel, iron, metal, alloy and such products.
8. Learned Counsel appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have made requisite filings to demonstrate compliance with this Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements, if and to the extent applicable, as may be required under the Companies Act, 2013 and the rules made thereunder. The said undertaking is accepted.





9. The Regional Director (Western Region) has filed its report dated April 17, 2023 inter-alia stating in paragraphs 2(a) to 2(m). In response to the observations made by the Regional Director, the Petitioner Companies have also given necessary clarifications and undertakings vide their rejoinder affidavit dated May 11, 2023. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies are summarized in the table below:

Para No. (2)	Regional Director Report/ Observations dated April 17, 2023	Response of the Petitioner Companies
(a)	<p><i>That on examination of the report of the Registrar of Companies, Mumbai dated 24/03/2023 for Petitioner Companies (Annexed as Annexure A-1) that the Petitioner Companies falls within the jurisdiction of ROC, Mumbai. It is submitted that no complaint and /or representation regarding the proposed scheme of Amalgamation has been received against the Petitioner Companies. Further, the Petitioner Companies has filed Financial Statements upto 31/03/2022. The ROC has further submitted that in his report dated 24/03/2023 which are as under :-</i></p> <p><i>i. That the ROC Mumbai in his report dated 24/03/2023 has also stated that No Inquiry, Inspection, Investigations, Prosecutions and Complaints under CA, 2013 have been pending against the Petitioner Companies.</i></p>	<p>So far as the observation in paragraph 2(a)(i), 2(a)(ii)(a) & 2(a)(ii)(c) of the Report of the Regional Director is concerned, the Petitioner Companies submits that it is the facts of the case.</p> <p>So far as the observation in paragraph 2(a)(ii)(b) of the Report of the Regional Director is concerned, the Petitioner Companies confirm that notices have been served to the unsecured creditors of the Transferor Company.</p> <p>So far as the observation in paragraph 2(a)(ii)(d) of the Report of the Regional Director is concerned, the Petitioner</p>





<p>ii. Further ROC has mentioned as follows:-</p> <p>a. NOC given by BSE and NSE dated 18.08.2022.</p> <p>b. Notice should be served to the unsecured creditors of the Transferor Company.</p> <p>c. 4 charges are open of Transferor Company.</p> <p>d. As per provisions of section 232(3)(i) of CA, 2013 where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorized capital shall be set off against any fees payable by the transferee company on its authorized capital subsequent to the amalgamation. Therefore, remaining fee, if any after setting off the fees already paid by the transferor company on its authorized capital, must be paid by the transferee company on the increased authorized capital subsequent to amalgamation.</p> <p>e. Interest of creditors should be protected.</p> <p>Hence, the Petitioner Companies shall undertake to provide detail reply against observations mentioned above.</p>	<p>Companies submits that the present scheme is a Scheme of Arrangement of the Transferor Company and the Transferee Company involving the transfer of the Specified Undertaking of the Transferor Company to the Transferee Company through a Slump Sale. Hence, post this Scheme becoming effective the Transferor Company shall not be dissolved and the provisions of section 232(3)(i) of the Companies Act, 2013 shall not be applicable to the present scheme.</p> <p>So far as the observation in paragraph 2(a)(ii)(e) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the interest of creditors will be protected.</p>
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(b)	<p><i>Transferee Company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 through appropriate affirmation in respect of fees payable by Transferee Company for increase of share capital on account of merger transfer of companies.</i></p>	<p>So far as the observation in paragraph 2(b) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the present scheme is a Scheme of Arrangement of the Transferor Company and the Transferee Company involving the transfer of the Specified Undertaking of the Transferor Company to the Transferee Company through a Slump Sale. Hence, post this Scheme becoming effective the Transferor Company shall not be dissolved and the provisions of section 232(3)(i) of the Companies Act, 2013 shall not be applicable to the present scheme. Further, the Transferee Company shall pay appropriate fee on its increase in authorised share capital whenever required pursuant to the Scheme.</p>
(c)	<p><i>In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the transferee company shall pass such accounting entries which are necessary in connection with the scheme to comply</i></p>	<p>So far as the observation in paragraph 2(c) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the Petitioner Companies undertakes</p>





	<p><i>with other applicable Accounting Standards including AS-5 or IND AS-8 etc.</i></p>	<p>that in addition to compliance of IND AS 103 for accounting treatment, if applicable, the Petitioner Companies shall pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable accounting standards such as IND AS-8 as applicable.</p>
(d)	<p><i>The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</i></p>	<p>So far as the observation in paragraph 2(d) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, and no change is made.</p>
(e)	<p><i>The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the</i></p>	<p>So far as the observation in paragraph 2(e) of the Report of the Regional Director is concerned, the Petitioner Companies confirm that notices have been served to the concerned authorities which are likely to be affected by the Scheme of Arrangement.</p>





	<p><i>scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i></p>	<p>Further, the Petitioner Companies state that the approval of the Scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issue arising after giving effect to the Scheme and the decision of such authorities not disputed by the Petitioner Companies is binding on the Petitioner Companies.</p>
(f)	<p><i>As per Definition of the Scheme "Appointed Date" means the close of business hours on March 31, 2022, or such other time and date as may be fixed or approved by the Tribunal, being the time and date with effect from which this Scheme will be deemed to be effective;</i></p> <p><i>"Effective Date" means the date on which all of the conditions and matters referred to in Clause 19 of this Scheme have occurred or been fulfilled. References in this Scheme to the date of "coming into effect of this Scheme", the "effectiveness of this Scheme", the "Scheme coming into effect" and other similar expressions, shall mean the Effective Date;</i></p> <p><i>It is submitted that the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No.</i></p>	<p>So far as the observation in paragraph 2(f) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the Appointed Date is the close of business hours on March 31, 2022. Further, the Petitioner Companies confirms and undertakes that upon the order sanctioning this Scheme as passed by the Hon'ble Tribunal, is filed by Petitioner Companies with Registrar of Companies, Mumbai, the Scheme shall take effect from the Appointed date and the same will be in compliance with the clarifications issued vide circular no. F. No. 7/12/2019/CL-1</p>





	<i>7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i>	dated 21.08.2019 issued by the Ministry of the Corporate Affairs.
(g)	<i>Petitioner Companies shall undertake to comply with the directions of Income tax department, if any.</i>	So far as the observation in paragraph 2(g) of the Report of the Regional Director is concerned, the Petitioner Companies undertake that no specific directions have been received from the income tax department.
(h)	<i>Petitioner Companies shall undertake to comply with the directions of the concerned sectoral Regulatory, if any.</i>	So far as the observation in paragraph 2(h) of the Report of the Regional Director is concerned, the Petitioner Companies undertake to comply with directions of Sectoral Authorities, if any.
(i)	<i>Petitioner Companies has foreign shareholders, hence Petitioner Companies shall undertake to comply with Rules, Regulation and guidelines of RBI, FEMA, FERA.</i>	So far as the observation in paragraph 2(i) of the Report of the Regional Director is concerned, the Petitioner Companies undertake to comply with the Rules, Regulations and guidelines of RBI, FEMA and FERA, to the extent applicable.





(j)	<p><i>Transferor Company is a Public Listed Company, hence Petitioner Companies shall undertake to comply with listing/SEBI LODR Regulations with observations of BSE & NSE, if any, in this regard.</i></p>	<p>So far as the observation in paragraph 2(j) of the Report of the Regional Director is concerned, the Petitioner Companies have complied and undertakes to comply with the listing/LODR Regulations with observations of BSE & NSE, if any, in this regard, to the extent applicable.</p>		
(k)	<p><i>As per shareholding pattern as on 31.03.2022 submitted by the Petitioner company, details of shareholding is as follows :-</i></p>			
Sr. No.	Petitioner Company	Name of Shareholder	% of shares held	Remark
1.	JSW Ispat Special Products Limited	Creixent Special Steels Limited	48.12%	No Form BEN-2 has been filed by any of the Petitioner Companies as per records available at MCA21 Portal
		Aion Investments Private Limited	21.18%	
2.	Mivaan Steels Limited	JSW Ispat Special Products Limited	100%	
<p><i>No Form BEN-2 has been filed by any of the Petitioner Company as per records available at MCA21 Portal, hence Petitioner Companies shall undertake to comply with the provisions of section 90 of Companies Act, 2013 r/w. Companies (Significant Beneficial Owners) Amendment Rules, 2019,</i></p>				





thereunder and to file Form BEN-2 for declaring name of the significant beneficial owner with concerned ROC.

Response of Petitioner Companies

So far as the observation in paragraph 2(k) of the Report of the Regional Director is concerned, the First Petitioner Company states that as on 31st March 2022, Aion Investments Private Limited is not a shareholder of the First Petitioner Company. Further, Aion Investments Private II Limited is declared as a promoter but does not hold any shares in the First Petitioner Company as on 31st March 2022.

Further, Creixent Special Steels Limited is a shareholder of the First Petitioner Company holding ~48.12% in the equity share capital of the First Petitioner Company as on 31st March 2022. However, there is no individual shareholder with a majority stake in Creixent Special Steels Limited (as per the provisions of Section 90 of the Companies Act, 2013 read with the rules made thereunder).

The First Petitioner Company further states that it is a public listed company and, as on 31st March 2022, [~46.83%] of its equity share capital is held by public shareholders. The First Petitioner Company has not received any significant beneficial ownership related declaration (as per the provisions of Section 90 of the Companies Act, 2013 read with the rules made thereunder) from its public shareholders or any other shareholder.

The First Petitioner Company accordingly states that it is not required to file Form BEN-2 (as per the provisions of Section 90 of the Companies Act, 2013 read with the rules made thereunder).

Further, JSW Ispat Special Products Limited (i.e., the First Petitioner Company) is holding 100% in the share capital of the Second Petitioner Company. As there is no individual shareholder with a majority stake in the First Petitioner Company (as per the provisions of Section 90 of the





	<p><i>Companies Act, 2013 read with the rules made thereunder) nor has it received any significant beneficial ownership related declaration (as per the provisions of Section 90 of the Companies Act, 2013 read with the rules made thereunder), the requirement to file Form BEN-2 is not applicable for the Second Petitioner Company (as per the provisions of Section 90 of the Companies Act, 2013 read with the rules made thereunder)</i></p>
(1)	<p><i>It is observed from financial statements as on 31.03.2022 of JSW Ispat Special Products Limited has issued shares at Security Premium and collected total premium amounting to Rs. 1114.46 CR but Form 2 or PAS 3 is not appearing in MCA-21 Portal. Therefore, the company may clarify the status of filling of return of allotment.</i></p> <p>Response of Petitioner Companies</p> <p>So far as the observation in paragraph 2(l) of the Report of the Regional Director is concerned, the First Petitioner Company states that there is securities premium balance of INR 1114.46 crores as at 31st March 2022 which has accumulated over the years. In the financial year 2018-19, a consortium of AION Investments Private II Limited, (AION) and JSW Steel Limited (JSW Steel), acquired a majority stake in the First Petitioner Company through the Corporate Insolvency Resolution Process (CIRP) under the Insolvency & Bankruptcy Code 2016 (IBC). Post-acquisition of stake, the Board was reconstituted and new management was put in place and since then has not issued any shares at premium. Based on data available with the First Petitioner Company, details of Form 2/ PAS-3 are as below:</p>





IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH, COURT - III

CP (CAA) 71 of 2023
Connected with
CA (CAA) 229 of 2022

Sr No.	Date of Issue	No. of Shares Issued	Issue Price	Type of Issue	Share premium	Form 2/ PAS 3 filed	SRN/ Receipt No	Remarks
1	31/11/1994	310,000	40.00	Preferential to Promoters	9,300,000.00	Form 2	-	Form not available with the Company
2	31-10-00	1,833,300	30.00	Preferential to Promoters	36,666,000.00	Form 2	89802	
3	15-09-03	950,000	100.00	Preferential to Promoters	85,500,000.00	Form 2	140491	
4	03-06-04	3,527,353	100.00	Preferential to Citi Corp	317,461,770.00	Form 2	157078	
5	31-03-05	1,000,000	120.00	Warrant Conv. of Promoters	110,000,000.00	Form 2	176659	
6	30-11-05	1,000,000	120.00	Warrant Conv. of Promoters	110,000,000.00	Form 2	-	Form not available with the Company
7	19-04-06	1,659,125	236.94	Conversion of FCCB	376,521,827.50	Form 2	203508	
8	25-04-06	184,347	236.94	Conversion of FCCB	41,835,708.18	Form 2	203508	
9	24-07-07	553,041	236.94	Conversion of FCCB	125,507,124.54	Form 2	A19886753	
10	26-07-07	368,694	236.94	Conversion of FCCB	83,671,416.36	Form 2	A19902113	
11	28-07-07	92,173	236.94	Conversion of FCCB	20,917,740.62	Form 2	A19903673	
12	01-08-07	184,347	236.94	Conversion of FCCB	41,835,708.18	Form 2	A19951961	
13	12-09-07	553,042	236.94	Conversion of FCCB	125,507,351.48	Form 2	A23854730	
14	04-10-07	276,520	236.94	Conversion of FCCB	62,753,448.80	Form 2	A23852031	
15	22-10-07	570,405	317.20	Conversion of FCCB	175,228,416.00	Form 2	A26387662	
16	23-10-07	1,253,560	236.94	Conversion of FCCB	284,487,921.00	Form 2	A26388157	
17	25-10-07	92,173	236.94	Conversion of FCCB	20,918,109.00	Form 2	A26388637	
18	07-11-07	695,617	317.20	Conversion of FCCB	213,693,542.40	Form 2	A26389213	
19	23-11-07	1,825,037	236.94	Conversion of FCCB	414,181,197.00	Form 2	A28125136	
20	23-11-07	278,246	317.20	Conversion of FCCB	85,477,171.20	Form 2	A28126373	
21	14-12-07	571,476	236.94	Conversion of FCCB	129,693,049.00	Form 2	A29898137	
22	14-12-07	278,247	317.20	Conversion of FCCB	85,477,478.40	Form 2	A29898657	
23	01-01-08	276,521	236.94	Conversion of FCCB	62,754,782.00	Form 2	A30657126	
24	01-01-08	667,792	317.20	Conversion of FCCB	205,145,702.40	Form 2	A30658645	
25	07-01-08	1,290,431	236.94	Conversion of FCCB	292,855,573.00	Form 2	A31549793	
26	10-01-08	1,043,425	317.20	Conversion of FCCB	320,540,160.00	Form 2	A31537954	
27	11-01-08	1,290,431	236.94	Conversion of FCCB	292,855,573.00	Form 2	A31379613	
28	11-01-08	139,123	317.20	Conversion of FCCB	42,738,585.60	Form 2	A31549546	
29	14-01-08	375,633	317.20	Conversion of FCCB	115,394,457.60	Form 2	A31550080	
30	12-02-08	589,910	236.94	Conversion of FCCB	133,876,535.00	Form 2	A33209255	
31	12-02-08	389,545	317.20	Conversion of FCCB	119,668,224.00	Form 2	A33209552	
32	12-05-08	139,123	317.20	Conversion of FCCB	42,738,585.60	Form 2	A31549546	





IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH, COURT - III

CP (CAA) 71 of 2023
Connected with
CA (CAA) 229 of 2022

33	30-05-08	1,112,988	317.20	Conversion of FCCB	341,909,913.60	Form 2	A38776720	
34	31-03-10	4,300,000	201.50	Warrant Conv. of Prn.	823,450,000.00	Form 2	A82558446	
35	08-11-10	194,772	317.20	Conversion of FCCB	59,833,958.40	Form 2	A98160054	
36	13-12-10	306,071	317.20	Conversion of FCCB	94,025,011.20	Form 2	B02579589	
37	20-12-10	4,722,539		Allotment upon Merger	42,005,534.38	Form 2		SRN not available with the Company
38	22-12-10	4,700,000	201.50	Conversion of Warrants	900,050,000.00	Form 2	B03119757	
39	04-02-11	1,711,218	317.20	Conversion of FCCB	525,686,169.60	Form 2	B05166038	
40	25-02-11	445,194	317.20	Conversion of FCCB	136,763,596.80	Form 2	B10637825	
41	04/06/2012 till 27/12/2012	1,892,385	324.20(Avg)	Equity(buy Back)	-190,445,180	N.A.		
42	30-10-13	2,094,000	Merger	Equity(Merger)(Balance)	371,685,000	PAS 3	S29153947	
43	31-12-15	32,550,758	40.00	Allotment(Private Placement)	976,522,740.00	PAS-3	S45396504	
44	31-12-15	102,391,803	34.20	Allotment(Banks under SDR)	2,477,881,632.60			
TOTAL					11,144,571,534.44			

Further, based on the above data, the First Petitioner Company states that as on date no such notices have been received from the Income Tax Department on the above matter.

(m)	<p><i>It is submitted that CBDT vide circular dated 17.03.2023 (copy enclosed) appointed following nodal officer for Income Tax Department for the region of Mumbai & Goa which is as follows:-</i></p> <p><i>Pr. CCIT, Mumbai</i></p> <p><i>Address:- 3rd Floor, Aayakar Bhawan, Maharishi Karve Road, Mumbai – 400 020</i></p> <p><i>Phone No. 022 - 22017654</i></p>	<p>So far as the observation in paragraph 2(m) of the Report of the Regional Director is concerned, the Petitioner Companies have served a notice u/s 230(5) of the Companies Act, 2013 and of final hearing to the respective jurisdictional assessing officer. However, none of the Petitioner Companies have received any response from the Income Tax Department. Nonetheless, the Petitioner Com-</p>
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<p><i>Email: Mumbai.pccit@incometax.gov.in</i></p> <p><i>Hence, Hon'ble NCLT may seek the comments of Income tax department, if any.</i></p>	<p>panies undertakes that the approval of the Scheme by the NCLT will not deter the rights of the Income Tax department to deal with any of the issues arising after giving effect to the scheme and the Transferee Company shall deal in the proceedings appropriately in the course of applicable law.</p>
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10. The Observations made by the Regional Director have been explained and the clarifications and undertakings given by the Petitioner Companies have been explained in above table. So far as the observation in paragraph 2(k) of the Report of the Regional Director is concerned, the Petitioner Companies further undertakes to comply with the provisions of section 90 of the Companies Act, 2013 read with relevant rules as and when applicable and ROC is at liberty to issue show notice to the Petitioner Companies in case of default in filing Form BEN-2. The Petitioner Companies will be at liberty to defend in accordance with law.

11. The Ld. Authorized Representative for the Regional Director, Ms. Rupa Sutar, Deputy Director, appeared in person and reported that most of the observations made by the Regional Director are routine in nature, and the Regional Director has no serious objection for approving the above Scheme. The clarifications and undertakings given by the Petitioner Companies in response to the said Report are accepted by this Tribunal.

12. From the material on record and after perusing the clarifications and submissions of the Petitioner Companies, the Scheme appears to be fair and reasonable and does not violate any provisions of law and is not contrary to public policy.





13. Upon coming into effect of this Scheme and in consideration of the transfer and vesting of the Specified Undertaking in the Transferee Company in terms of the Scheme, based on the valuation report from PWC Business Consulting Services LLP dated February 16, 2022 and March 16, 2022, the Transferee Company shall, without any further application, act, instrument or deed, issue 44,31,10,000 (Forty Four Crores Thirty One Lacs and Ten Thousand) fully paid-up unsecured convertible debentures ("CDs") having face value of INR 10 (Rupees Ten) each, aggregating to INR 443,11,00,000 (Rupees Four Hundred and Forty Three Crores and Eleven Lacs only) to the Transferor Company, and the CDs (subject to its terms) shall be convertible into equity shares of the Transferee Company (each having a face value of INR 10 (Rupees Ten)) based on a 1:1 ratio and such CDs shall have such terms as mutually agreed between the Transferor Company and Transferee Company, subject to Applicable Law and Clause 23 of the Scheme.

14. Since all the requisite statutory compliances have been fulfilled CP(CAA)/71/MB /2023 is made absolute in terms of the prayer clauses of the said Company Scheme Petition. Hence ordered.

ORDER

- a) The said Scheme of Arrangement is hereby sanctioned and declared the same to be binding on the Petitioner Companies and their respective shareholders.
- b) The Scheme is hereby sanctioned with the Appointed Date of the Scheme as the close of business hours on March 31, 2022.
- c) The Petitioner Companies are directed to lodge a certified copy of this Order along with a copy of the Scheme with the concerned Registrar





IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH, COURT - III

CP (CAA) 71 of 2023
Connected with
CA (CAA) 229 of 2022

of Companies, electronically in e-Form INC-28, within 30 (thirty) days from the date of receipt of the order by the Registry, duly certified by the Joint/ Deputy/ Assistant Registrar of this Tribunal.

- d) The Petitioner Companies are directed to lodge a certified copy of this Order and the Scheme duly authenticated by the Joint/ Deputy/ Assistant Registrar of this Tribunal, with the concerned Superintendent of Stamps for adjudication of stamp duty payable, if any, within 60 (sixty) working days from the date of receipt of certified copy of the Order from the Registry of this Tribunal.
- e) All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Joint/ Deputy/ Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
- f) Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
- g) Any concerned Authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
- h) Ordered accordingly. CP (CAA) No. 71 of 2023 is allowed and disposed-off. Files to be consigned to Records.

SD/-

Madhu Sinha

Member (Technical)

SD/-

H.V. Subba Rao

Member (Judicial)

Certified True Copy _____
Date of Application 19/5/2023
Number of Pages 19
Fee Paid Rs. 95/-
Applicant called for collection copy on 09/6/23
Copy prepared on 09/6/2023
Copy issued on 09/6/2023

19



R. S. Sonawane
Deputy Registrar 09/6/2023

National Company Law Tribunal, Mumbai Bench

Ann. F Annexure 'F'

786

**SCHEME OF ARRANGEMENT
 UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013
 OF
 JSW ISPAT SPECIAL PRODUCTS LTD
 ("TRANSFEROR COMPANY")
 AND
 MIVAAN STEELS LIMITED
 ("TRANSFeree COMPANY")
 AND
 THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

- A. JSW ISPAT SPECIAL PRODUCTS LTD (formerly known as MONNET ISPAT AND ENERGY LIMITED) is a public limited company incorporated under the Companies Act, 1956 (and validly existing under the Companies Act, 2013) having its registered office at JSW Center, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, with permanent account number AAACM0501D and corporate identification number L02710MH1990PLC363582, and listed on the NSE (as defined below) and BSE (as defined below) ("Transferor Company"). The Transferor Company is, *inter alia*, engaged in the business of manufacturing and marketing of sponge iron, pellets, steel and ferro alloys.
- B. MIVAAN STEELS LIMITED is a public limited company incorporated under the Companies Act, 2013 having its registered office at JSW Center, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, with permanent account number AAPCM1752M and corporate identification number U27100MH2021PLC371388 ("Transferee Company").
- C. This Scheme provides for the Slump Sale (as defined below) of the Specified Undertaking (as defined below) of the Transferor Company to the Transferee Company with effect from the Appointed Date (as defined below) pursuant to Sections 230 to 232 and other relevant provisions, if any, of the Act (as defined below), and various other matters consequential to or otherwise connected with the above in the manner provided for in this Scheme.
- D. **RATIONALE AND PURPOSE OF THE SCHEME**
 - (a) The Scheme shall be implemented by the Transferor Company along with the Transferee Company (in its capacity as a wholly owned subsidiary of the Transferor Company). The Transferee Company is proposed to be engaged in the business of (*inter-alia*) manufacturing, mining, producing, processing, trading or otherwise dealing in steel, iron, metal, alloy and such products.



For JSW Ispat Special Product Limited

Amith
 Authorised Signatory

Certified True Copy



787

- (b) The management of the Transferor Company believes that the Specified Undertaking (as defined below) forms part of the business of the Transferor Company, and that the Specified Undertaking and the Remaining Undertaking (as defined below), each require dedicated management focus and business strategies to ensure that the respective businesses are given the right impetus for growth and to maximize value for all stakeholders.
- (c) The Specified Undertaking comprises of certain manufacturing, mining and other facilities that includes a sponge iron manufacturing plant with a capacity of 0.3 MTPA, ferro alloy plant and steel manufacturing plant with a capacity of 0.25 MTPA, which caters to the commodity grade market.
- (d) The strategic focus of the Specified Undertaking (which is to be transferred to the Transferee Company pursuant to this Scheme) is on commodity steel products that caters to the structural and construction sectors with comparatively lower volume of production and serving customers predominantly around its operating area; whereas, the Transferor Company's strategic focus for its Remaining Undertaking is on special steel products catering to HT grades, IBR grades, RDSO grades, automotive, high manganese grades, cold rolling grades and API grades with comparatively higher volume of production serving customers in the exports and domestic markets covering Northern, Eastern and parts of Western region of India.
- (e) The transfer of the Specified Undertaking to the Transferee Company will enhance the ability of the Transferor Company and Transferee Company to explore and leverage strategic opportunities for their respective business/undertakings, including fund raising prospects, with the aim of maximizing value.
- (f) With a view to achieve dedicated management focus on the respective grades of products and customer segments, facilitate strategic opportunities and to maximize the value of each of the Remaining Undertaking and the Specified Undertaking, the management of the Transferor Company proposes to transfer the Specified Undertaking, and vest such Specified Undertaking into the Transferee Company (in its capacity as a wholly owned subsidiary of Transferor Company).
- (g) The management of the Transferor Company and the Transferee Company believe that the transfer of the Specified Undertaking from the Transferor Company and vesting of such Specified Undertaking into the Transferee Company is in the larger interest of the shareholders, creditors and employees of the Transferor Company and the Transferee Company and will enhance the prospects of the future growth of the Transferor Company and the Transferee Company, and is likely to result in the following benefits for the Transferor Company and the Transferee Company:
- (i) enabling the Transferor Company and Transferee Company to focus on their core business strategies and plans with dedicated management focus on their respective grades of products and customer segments.



788

- (ii) facilitating strategic opportunities for the Transferor Company and Transferee Company;
- (iii) creating and enhancing stakeholders' value by unlocking the intrinsic value and growth potential for the respective businesses of the Transferor Company and Transferee Company;
- (iv) enhancing ability of each of the Transferor Company and the Transferee Company to raise necessary funds and resources for their respective businesses independently;
- (v) imparting better management focus, facilitating administrative convenience and ensuring optimum utilization of various resources of the Transferor Company and Transferee Company;
- (vi) increasing efficiencies in management, control and administration of the affairs of the Transferor Company and Transferee Company;
- (vii) no adverse impact on the operations of the Specified Undertaking or Remaining Undertaking is envisaged on account of this Scheme; and
- (viii) achieving an optimum capital structure with commensurate assets which is likely to enhance the business prospects of the Transferor Company as well as the Transferee Company.

E. This Scheme is divided into the following parts:

- (a) Part I, which deals with definitions and interpretation;
- (b) Part II, which deals with the transfer of the Specified Undertaking of the Transferor Company to the Transferee Company; and
- (c) Part III, which deals with the general terms and conditions applicable to this Scheme.

PART I - GENERAL

1. DEFINITIONS AND INTERPRETATION

- (a) In this Scheme, unless the context or meaning otherwise requires, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme, and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

'Act' means the Companies Act, 1956 or the Companies Act, 2013, read with rules, regulations, circulars and notifications issued thereunder, including without limitation the Companies (Compromises, Arrangements and



3



Amalgamations) Rules, 2016, as applicable, and each as amended from time to time;

'Applicable Law' or 'Law' means to the extent applicable, all statutes, laws, by-laws, regulations, ordinances, rules, protocols, codes, guidelines, policies, notices, directions, judgments, orders, decrees, clearances, approvals from the concerned authority, requirement, listing agreement or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Government Authority in effect in the Republic of India or any Person acting under the authority of any Governmental Authority;

'Appointed Date' means the close of business hours on March 31, 2022, or such other time and date as may be fixed or approved by the Tribunal, being the time and date with effect from which this Scheme will be deemed to be effective;

'Board of Directors' or the 'Board' means the Board of Directors of the Transferor Company or the Transferee Company as the case may be, and shall include a duly constituted committee thereof;

'BSE' means BSE Limited;

'Contracts' means all contracts, agreements, deeds, undertakings, bonds, instruments of whatsoever nature, memorandums of understanding, expressions of interest, letters of interest, tenders, bids, engagements, licenses, guarantees, indemnities, power of attorney, purchase and sale orders, schemes, arrangements, insurance covers, and other commitments, whether written or unwritten, entered into by or on behalf of, or the benefit of which is held in trust for or has been assigned to, the Transferor Company, and each of which is utilised in or for the benefit of, or pertains to the Specified Undertaking, including accrued rights and liabilities thereunder, and includes without limitation the Washery Contract and the contracts under the Mining Lease, Permit and Contract;

'Consideration' means the consideration to be discharged by the Transferee Company to the Transferor Company in accordance with Clause 17 of this Scheme;

'Current Assets' means the inventories, stores, stocks, trade debtors, sundry debtors, receivables, loans and advances (including without limitation accrued interest), credits (whether recoverable in cash or in kind or for value to be received), advance payments, cash and cash equivalents, bank accounts and balances therein, gross unbilled revenue, deposits (including without limitation security deposits), earnest monies, actionable claims, bills and other securities of the Transferor Company, each of which is utilised in or for the benefit of or pertains to the Specified Undertaking;



790

'Effective Date' means the date on which all of the conditions and matters referred to in Clause 19 of this Scheme have occurred or been fulfilled. References in this Scheme to the date of 'coming into effect of this Scheme', the 'effectiveness of this Scheme', the 'Scheme coming into effect' and other similar expressions, shall mean the Effective Date;

'Employees' means persons who are employed in the business comprised in the Specified Undertaking;

'Encumbrance' means any present or future mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, title defect, title retention agreement, trust, voting agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including without limitation restriction on use, voting rights, transfer, receipt of income, exercise of any attribute of ownership, right of set-off, any arrangement for the purpose of, or which has the effect of, granting security, or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the foregoing, and the term "Encumbered" shall be construed accordingly;

'Freehold Properties' means all rights, title, interest, claims, covenants and undertakings of the Transferor Company pertaining to the land, buildings, accretions, appurtenances, estates and other immoveable property owned by the Transferor Company each of which is utilised in or pertains to the Specified Undertaking, including the documents of title, rights, claims, and easements in relation thereto, and including without limitation the following immoveable properties located (a) at Kurud (Raipur, Chhattisgarh), (b) at Greater Kailash-II, New Delhi, (c) at Mormugoa, Goa, (d) in 'Artee' complex at Sohana (Gurugram Haryana), (e) at Sainik Farm, New Delhi, and (f) at Nisa (Angul, Orissa);

'Governmental Authority(ies)' means (i) any international, supra-national, national, state, city or local governmental, regulatory or statutory authority; (ii) any commission, organisation, agency, department, ministry, board, bureau or instrumentality of any of the foregoing (and "instrumentality of any of the foregoing" includes any entity owned or controlled by any of such foregoing authorities); (iii) any stock exchange or similar self-regulatory or quasi-governmental agency or private body exercising any regulatory or administrative functions of or relating to the government; (iv) any arbitrator, arbitral body, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction over any of the parties; and (v) any state or other subdivision thereof or any municipality, district or other subdivision thereof;

'Intangible Assets' means and includes all intellectual property rights and licenses, whether registered or unregistered, and including any applications for registration of any intellectual property, together with goodwill, confidential and proprietary information and other incorporeal assets, of the Transferor Company each of which pertains to the Specified Undertaking, including without



791

limitation the experience, track record, qualifications and expertise in relation to the Washery Contract;

'IT Act' means the Income Tax Act, 1961, and the rules, regulations, circulars and notifications issued thereunder, each as amended, modified, replaced or supplemented from time to time;

'Leasehold Properties' means all rights, title, interest, claims, covenants and undertakings of the Transferor Company pertaining to the land, buildings, accretions, appurtenances, estates and other immovable property that is leased or licensed to or otherwise taken on tenancy, hire or rent by the Transferor Company each of which is utilised in or pertains to the Specified Undertaking, including the documents of title, rights, claims, and easements in relation thereto, and including without limitation the following immovable properties located : (a) at Kurud, (Raipur, Chhattisgarh), and (b) at Kanker in relation to the lease (Raipur, Chhattisgarh) under the Mining Lease, Permit and Contract;

'Liabilities' means all the debts and liabilities (in whatsoever currency), including without limitation the secured and unsecured debts, borrowings, liabilities, current and non-current liabilities, contingent liabilities, accrued liabilities, duties and obligations of every kind, nature and description whatsoever, of the Transferor Company and pertaining to the Specified Undertaking (including without limitation in relation to the Washery Contract and the Mining Lease, Permit and Contract), whether past, present or future, whether secured or unsecured, whether contingent or not, whether provided for or not in the books of accounts and howsoever arising;

'Mining Lease, Permit and Contract' means (a) the mining lease agreement dated January 7, 2017 executed between the Governor of Chhattisgarh and the Transferor Company read with supplemental agreements dated June 2, 2017 and August 20, 2020; (b) in respect of the iron ore mining operations of the Transferor Company at Kanker, includes the (i) letter of intent from the Government of Chhattisgarh to the Transferor Company dated October 15, 2004, (ii) approval letter from the Central Government in favour of the Transferor Company dated October 6, 2004, and (iii) Order No. F3-33/1999/12, Raipur dated January 6, 2017 issued by Mineral Resources Department, Government of Chhattisgarh to the Transferor Company, each, as amended from time to time; (c) the Mine Development and Production Agreement dated January 7, 2017 between the Governor of Chhattisgarh and the Transferor Company for mining of iron ore at Kanker, (d) all other documents and instruments in relation to or in connection with the foregoing;

'Movable Assets' means all moveable assets and properties (including without limitation assets and properties that are otherwise capable of being transferred by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal), resources, facilities, utilities and services, including without limitation all equipment, machinery, implements, apparatus, instruments, spares, tools, utilities, vessels, vehicles, utensils, furniture, fixtures, office equipment, communication devices and other moveable property, including without limitation for manufacturing, mining and washery operations,



6



792

each of which is utilized in or for the benefit of or pertains to the Specified Undertaking;

'NSE' means National Stock Exchange of India Limited;

'Permits' means all licenses, authorisations, permissions, approvals, clearances, permits, consents, registrations, no-objection certificate, exemptions, quotas, concessions, grants, subsidies, easements, benefits, incentives, allotments, entitlements, advantages, rights, accrued rights, interests, claims, liberties, authorities, special status, privileges, powers, offices and rights (by whatever name called) obtained, accrued, enjoyed, availed, held or required by or conferred upon the Transferee Company for carrying on the business comprised in the Specified Undertaking or for the purpose or benefit of or which pertains to the Specified Undertaking, and includes without limitation the Permits in connection with the Washery Contract and Mining Lease, Permit and Contract;

'Person' means any natural person, limited or unlimited liability company, corporation, partnership firm (whether limited or unlimited), proprietorship firm, Hindu undivided family, trust, union, works council or employee representatives body (whether or not having separate legal personality), joint venture, association, government or any agency or political subdivision thereof or any other entity that may be treated as an entity under Applicable Law;

'Remaining Undertaking' means all other businesses, assets (including, without limitation, movable and immovable properties) and liabilities of the Transferor Company, other than the Specified Undertaking as specifically defined in Clause 1(a) of this Scheme;

'RoC' means the jurisdictional Registrar of Companies applicable to the Transferor Company and Transferee Company respectively;

'Scheme' means this scheme of arrangement among the Transferor Company, Transferee Company and their respective shareholders and creditors, in its present form or as amended or with any modification(s) approved or imposed or directed by the Tribunal, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act;

'SEBI' means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

'SEBI Circular' means the Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021, Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/003 dated January 3, 2022, and Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 1, 2022 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time, and includes any substitution, modification or reissuance thereof;



7



'SEBI (LODR) Regulations' means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including all circulars and notifications issued thereunder, as amended from time to time;

'Slump Sale' means transfer of an undertaking on a going concern basis for a consideration without values being assigned to the individual assets and liabilities, as defined under Section 2(42C) of the IT Act;

'Specified Element' means the part or elements of the Specified Undertaking pertaining to the washery and/or mining operations;

'Specified Undertaking' means the business undertaking of the Transferor Company pertaining to the manufacturing facilities at Raipur and mining facilities at Kanker and associated coal washery operations at Patherdih, on a going concern basis, which includes, without limitation, the following:

- i. all its assets (including without limitation Movable Assets, Current Assets, Intangible Assets, Freehold Properties, Leasehold Properties and the assets under the Washery Contract and Mining Lease, Permit and Contract);
- ii. all Permits;
- iii. all Contracts;
- iv. all Liabilities;
- v. all Employees;
- vi. taxes, tax benefits, tax exemptions, tax subsidies, tax concessions, tax deferrals, tax credits including, without limitation, all amounts claimed as refund, whether or not so recorded in the books of accounts, including in respect tax deducted at source, tax collected at source, CENVAT, sales tax, value added tax, central sales tax, turnover tax, excise duty, service tax, goods and service tax, in each case, pertaining to the Specified Undertaking, to the extent permissible under the Applicable Laws;
- vii. all legal, tax, regulatory, quasi-judicial or administrative suits, arbitrations, appeal, applications or other proceedings of whatsoever nature initiated, whether prior to or after the Appointed Date, by or against the Transferor Company pertaining to the Specified Undertaking;
- viii. insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company is a party, or to the benefit of which the Transferor Company is eligible pertaining to the Specified Undertaking; and



794

ix. all books, record files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, designs, catalogues, quotations, websites, cloud storage, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form pertaining to the Specified Undertaking;

'Stock Exchanges' mean each of BSE and NSE;

'Transferee Company' has the meaning ascribed to it in Recital B of this Scheme above;

'Transferor Company' has the meaning ascribed to it in Recital A of this Scheme above;

'Tribunal' or 'the Tribunal' means National Company Law Tribunal having its Bench at Mumbai, and

'Washery Contract' means the agreement dated October 17, 2012 between Bharat Coking Coal Limited and the Transferor Company, to build, operate and maintain the coal washery at Patherdih, as amended from time to time.

- (b) All terms used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, guidelines, circulars, as the case may be, or any statutory modification or re-enactment thereof, from time to time.
- (c) Schedules form part of this Scheme, and shall have the same force and effect as if expressly set out in the body of this Scheme;
- (d) References to clauses, recitals and annexures, unless otherwise provided, are to clauses, recitals and annexures of this Scheme.
- (e) The headings herein shall not affect the construction of this Scheme.
- (f) Unless the context otherwise requires, the singular shall include the plural and vice versa, and references to one gender shall include all genders.
- (g) Wherever the word "include", "includes", or "including" is used in this Scheme, it shall be deemed to be followed by the words "without limitation".
- (h) Where a wider construction is possible, the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words.



9



795

- (i) Any reference to any enactment, rule, regulation, notification, circular or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification) and includes all instruments or orders made under such enactment.
- (j) Any reference to an "agreement" or "document" shall be construed as a reference to such agreement or document as amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document.
- (k) For reference, during the financial years FY 2019-20, 2020-21 and 2021-22, on an average, the revenue and operating earnings of the Specified Undertaking stood at twenty-five percent of the total revenue and thirty-six percent of the total operating earnings, of the Transferor Company.
- (l) Any reference to "INR" is to Indian National Rupees.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with or with any modification(s) approved by the Tribunal shall be effective on the Effective Date and with effect from the Appointed Date.

3. SHARE CAPITAL

The authorized, issued, subscribed and paid up share capital of the Transferor Company as at December 31, 2021 is as under:

Description	Amount in INR	Amount in INR
Authorised Share Capital		15,50,00,00,000
1,00,00,00,000 Equity Shares of INR 10 each	10,00,00,00,000	
55,00,00,000 Preference Shares at par value of INR 10/- each	5,50,00,00,000	
Issued subscribed and paid up Share Capital		9,95,52,75,340
469,547,534 Equity Shares of INR 10 each	4,69,54,75,340	
0.01% Compulsory Convertible Preference Shares (CCPS) 525,980,000 shares at par value of 10/- each	5,25,98,00,000	



The authorized, issued, subscribed and paid up share capital of the Transferee Company as at February 9, 2022 is as under:



796

Particulars	Amount (in INR)	Amount (in INR)
Authorised Share Capital		1,00,000
10,000 Equity Shares of INR 10 each	1,00,000	
Issued subscribed and paid up Share Capital		80,000
8,000 Equity Shares of INR 10 each	80,000	

The Transferee Company is a wholly owned subsidiary of the Transferor Company as on the Appointed Date and will continue to be a wholly owned subsidiary of the Transferor Company as on the Effective Date.

PART II – SLUMP SALE OF THE SPECIFIED UNDERTAKING

4. TRANSFER AND VESTING OF THE SPECIFIED UNDERTAKING

Subject to the provisions of this Scheme in relation to the modalities of the Slump Sale, upon the coming into effect of this Scheme and with effect from the Appointed Date, the Specified Undertaking (including without limitation all its assets and properties (including without limitation its Movable Assets, Current Assets, Intangible Assets, Freehold Properties and Leasehold Properties), Liabilities, Permits, Contracts, Employees, legal and other proceedings, records, rights, benefits, interests, claims, obligations, and including without limitation the Washery Contract (along with the experience, track record, qualifications, expertise in relation to the Washery Contract) and the Mining Lease, Permit and Contract) shall stand transferred to and stand vested in and shall become an integral part of the Transferee Company, as a going concern on a Slump Sale basis and for the Consideration as set out herewith, subject to the existing charges and Encumbrances (if any, and to the extent such charges or Encumbrances are outstanding on the Effective Date), pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed undertaken by either of the Transferor Company or the Transferee Company. Without prejudice to the generality of the above, in particular, the Specified Undertaking of the Transferor Company shall stand transferred and vested with and into the Transferee Company in the manner described in Clauses 5 to 13 below:

5. VESTING OF ASSETS AND PERMITS

(a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the Freehold Properties and Leasehold Properties of the Transferor Company comprised in the Specified Undertaking and wherever situated shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company so as to become the assets and properties of the Transferee Company. Without prejudice to the foregoing, the Transferor Company and the Transferee Company, at their option and sole discretion, may enter into separate conveyance / assignment / novation deeds (as the case may be) in respect of



any or all of the Freehold Properties and Leasehold Properties that are being transferred pursuant to this Scheme. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes, rent and charges, and fulfill all obligations, in relation to or applicable to the Freehold Properties and the Leasehold Properties (as applicable), and the relevant landlords, owners, lessors and licensors of the Leasehold Properties shall continue to comply with the terms, conditions and covenants under all relevant lease/ license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee, if any, to the Transferee Company. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the filing of the vesting order of the Tribunal sanctioning this Scheme with the appropriate Registrar or Sub-Registrar of Assurances (or with the relevant Governmental Authority) shall suffice as record of continuing title with the Transferee Company of all Freehold Properties and Leasehold Properties and shall constitute a mutation and substitution thereof. Each of the Freehold Properties and Leasehold Properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined in accordance with the Applicable Law.

- (b) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the Movable Assets of the Transferor Company comprised in the Specified Undertaking and wherever situated shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company so as to become the assets and properties of the Transferee Company. Without prejudice to the foregoing, the transfer and vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being transferred and vested and the title to such property shall be deemed to have been transferred and vested accordingly with and into the Transferee Company.
- (c) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the Current Assets of the Transferor Company comprised in the Specified Undertaking, wherever situated, shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, if any, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company so as to become the assets and properties of the Transferee Company.
- (d) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the Intangible Assets of the Transferor Company comprised in the Specified Undertaking shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without



any further act, instrument or deed be and stand transferred to and vested in the Transferee Company so as to become the assets and properties of the Transferee Company.

- (e) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the assets and properties belonging to the Transferor Company (of whatsoever nature besides those referred to in Clauses 5(a) to 5(d) above) in respect of the Specified Undertaking, shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company so as to become the assets and properties of the Transferee Company.
- (f) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the Permits (including the benefits thereunder), of every kind and description and of whatsoever nature, obtained, accrued, enjoyed, availed, held or required by or conferred upon the Transferor Company in respect of the Specified Undertaking, whether on or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company so as to become the licenses, rights and claims of the Transferee Company, and shall be appropriately transferred or assigned by the concerned Governmental Authority/ Person in favour of the Transferee Company upon transfer and vesting of the Specified Undertaking with and into the Transferee Company pursuant to this Scheme, and shall remain valid, effective and enforceable on the same terms and conditions by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The absence of any formal endorsement, amendment, modification or assignment, which may be required by the Governmental Authority/ Person issuing, granting or providing the Permit shall not affect the operation of the foregoing, and the transfer of the Specified Undertaking shall be considered to be in compliance with Applicable Law, including the Mines and Minerals (Development & Regulation) Act, 1957 and the rules made thereunder. For the avoidance of doubt, it is clarified that if the consent of either a Governmental Authority or other Person is required to give effect to the provisions hereof, such Governmental Authority or other Person shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Tribunal upon this Scheme becoming effective.

6. VESTING OF CONTRACTS

Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Contracts in respect of the Specified Undertaking (including without limitation the experience, track record, qualifications and expertise in relation to the Washery



Contract), to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled or eligible, shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder, and such Contracts shall stand transferred, assigned or novated in favour of the Transferee Company.

7. TRANSFER OF LIABILITIES

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Liabilities pertaining to the Specified Undertaking (including without limitation the Liabilities under and in relation to the Washery Contract and Mining Lease, Permit and Contract) shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company so as to become the liabilities and obligations of the Transferee Company, and the Transferee Company shall meet, discharge and satisfy the same. If any creditor/ lender pertaining to the Specified Undertaking requires satisfaction of the charge against the name of the Transferor Company and recording of a new charge with the Transferee Company, the Transferor Company and the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the concerned RoC accompanied with the vesting order of the Tribunal sanctioning the Scheme, and any deed of modification or novation for discharge and creation of fresh charge executed in this respect, *inter-alia*, by the Transferee Company.
- (b) Where any such Liabilities of the Transferor Company in respect of the Specified Undertaking have been discharged by the Transferor Company before the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- (c) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the Liabilities in respect of the Specified Undertaking shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company.

8. ENCUMBRANCES

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the secured creditors of the Transferee Company, if any, shall only continue to be entitled to security over such assets and properties forming part of the Transferee Company, as they had existing immediately prior to the transfer of the Specified Undertaking of the Transferor Company into and with the Transferee Company, and



800

the secured creditors of the Transferor Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of and in the Transferor Company, as they had existing immediately prior to the transfer of the Specified Undertaking of the Transferor Company into and with the Transferee Company.

9. **TRANSFER OF EMPLOYEES**

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Employees of Transferor Company employed with respect to the Specified Undertaking shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, become the employees of the Transferee Company, on terms and conditions which are overall no less favorable than those on which they are engaged by the Transferor Company immediately prior to the transfer and vesting of the Specified Undertaking with the Transferee Company, with the benefit of continuity of service and without any interruption of or break in service.
- (b) The Employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company are overall no less favourable than those that were applicable to such employees immediately before such Slump Sale.
- (c) In addition, with regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the Employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, (i) all contributions made to such funds by the Transferor Company on behalf of such Employees shall be deemed to have been made on behalf of the Transferee Company, upon the coming into effect of this Scheme and with effect from the Appointed Date, and shall be accordingly transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be, and (ii) all contributions made by such Employees including interests/ investments (which are referable and allocable to the Employees transferred), upon the coming into effect of this Scheme and with effect from the Appointed Date, shall accordingly be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be.

Where applicable and required, in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the Employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, the Transferee Company shall stand substituted for the Transferor Company,



15



801

under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of the relevant schemes or funds. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company.

- (d) In addition, upon the Scheme coming into effect and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any Employee forming part of the Transferor Company in relation to the Specified Undertaking shall be continued/ continue to operate against the relevant Employee, and the Transferee Company shall be entitled to take all relevant action or sanction, without any further act, instrument or deed undertaken by the Transferor Company or the Transferee Company.
- (e) The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s), if entered into, with any labour unions/employees by Transferor Company.
- (f) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company, take into account the past services of such employees with the Transferor Company.

10. TAXES

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all direct and indirect taxes of any nature, duties and cess or any other like payment, including without limitation income tax, security transaction tax, foreign tax credit, equalization levy, value added tax, central sales tax, excise duty, customs duty, advance tax, goods and services tax, tax deducted at source or tax collected at source or any other like payments made by the Transferor Company pertaining to the Specified Undertaking to any Governmental Authorities, or other collections made by the Transferor Company pertaining to the Specified Undertaking, shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, be deemed to have been on account of, or on behalf of, or paid by, or made by the Transferee Company.
- (b) In addition, upon the coming into effect of this Scheme and with effect from the Appointed Date, all deduction otherwise admissible to Transferor Company pertaining to the Specified Undertaking including without limitation payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (including without limitation under



802

Section 43B, Section 40 and Section 40A of the IT Act) shall be eligible for deduction to the Transferee Company upon fulfilment of the applicable conditions under the IT Act.

- (c) In addition, upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall be entitled to claim credit for taxes deducted at source, taxes collected at source, taxes paid against tax liabilities/ duty liabilities, advance tax, goods and services tax, value added tax liability and any other credits, etc., pertaining to the Specified Undertaking, notwithstanding the certificates/ challans or other documents for payment of such taxes/ duties, as the case may be, are in the name of the Transferor Company.
- (d) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all taxes payable by or refundable to or being the entitlement of the Transferor Company in connection with the Specified Undertaking, including without limitation all or any refunds or claims shall be treated as the tax liability or refunds, credits or claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, entitlements (including without limitation credits in respect of closing balance of CENVAT, value added tax, central sales tax, excise duty, turnover tax, goods and services tax, security transaction tax, and duty entitlement credit certificates), holidays, remissions, reductions, as would have been available to the Transferor Company in connection with the Specified Undertaking, shall upon the coming into effect of this Scheme and with effect from the Appointed Date, be available to the Transferee Company, subject to the provisions of Applicable Laws.
- (e) The Transferee Company shall undertake all necessary compliances prescribed under Applicable Laws to, and the Transferor Company shall extend its cooperation to the Transferee Company to, effectuate transfer of all tax credits, including goods and services tax, of the Transferor Company pertaining to the Specified Undertaking, to the Transferee Company.
- (f) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall have the right to file and/or revise the income tax returns, goods and services tax returns, tax deducted at source certificates and other statutory returns and filings, if required, even if the relevant due dates set out under Applicable Laws may have expired.
- (g) Subject to provisions of this Clause 10, the Transferee Company agrees and undertakes to indemnify, defend and hold harmless the Transferor Company for any of the aforesaid taxes (including penalties and interest, if any, thereupon) relating to the Specified Undertaking payable by or recovered from the Transferor Company after the Effective Date.



11. LEGAL PROCEEDINGS



883

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall bear the burden and the benefits of all legal, tax, regulatory, administrative and other proceedings (including without limitation all claims, actions, disputes, complaints, suits, petitions, writs, arbitrations, appeals, applications, motions, notices, and other proceedings of whatsoever nature before any court, tribunal, arbitrator, judicial, quasi-judicial, regulatory, administrative or other authority, Governmental Authority or other forum) initiated, whether prior to or after the Appointed Date, by or against the Transferor Company in relation to the Specified Undertaking (or part thereof).
- (b) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all such proceedings by or against the Transferor Company in relation to the Specified Undertaking (or part thereof) that are pending shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, by operation of law pursuant to the order of the Tribunal sanctioning the Scheme and without any further act, instrument or deed, not abate, be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of the Specified Undertaking with and into the Transferee Company, or of anything contained in this Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company.
- (c) Upon the coming into effect of this Scheme and with effect from the Appointed Date, where required, the Transferee Company shall have all such proceedings transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- (d) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all losses, costs, damages, penalties, liabilities, risks, adversities, etc., in relation to such proceedings shall be to the account of and discharged by the Transferee Company only.
12. Subject to Applicable Law and without prejudice to the provisions of Clauses 4 to 11, with effect from the Appointed Date, all inter-party transactions between the Transferor Company in respect to the Specified Undertaking and the Transferee Company, shall be considered as intra-party transactions of the Transferee Company for all purposes from the Appointed Date.
13. Without prejudice to the provisions of this Scheme, the Transferee Company and the Transferor Company shall, respectively, make appropriate filings with the Governmental Authorities in order to give formal effect to the provisions of Part II of this Scheme, and the relevant Governmental Authorities shall take the same on record, and shall make and duly record the necessary entries, notings, substitution or endorsement in the name of the Transferee Company upon this Scheme becoming effective in accordance its terms.



18



804

14. Without prejudice to the provisions of this Scheme, the Transferee Company may, at any time after the coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions hereof, if so required under any Applicable Law, take such actions, do all such things and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements, in respect of or with any Governmental Authority or Person, as may be necessary in order to give formal effect to the provisions of this Scheme (or part thereof), and the Transferor Company shall provide all necessary co-operation in this respect.
15. The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to any Governmental Authority, if required, under Applicable Law for such consents and approvals which the Transferee Company may require to operate the Specified Undertaking.

16. CONDUCT OF BUSINESS

With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Specified Undertaking and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Specified Undertaking (including without limitation the Movable Assets, Current Assets, Intangible Assets, Freehold Properties and Leasehold Properties, Contracts, Liabilities) and the rights, benefits and obligations thereof, for and on behalf of and in trust for the Transferee Company. Without prejudice to the foregoing, the Transferor Company shall operate the Specified Undertaking in the usual and ordinary course consistent with past practice and in accordance with Applicable Law and in accordance with its applicable business plan.

17. CONSIDERATION

Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Specified Undertaking in the Transferee Company in terms of this Scheme, based on the valuation report from PWC Business Consulting Services LLP dated February 16, 2022, the Transferee Company shall, without any further application, act, instrument or deed, issue 44,31,10,000 (Forty Four Crores Thirty One Lacs and Ten Thousand) fully paid-up unsecured convertible debentures ("CDs") having face value of INR 10 (Rupees Ten) each, aggregating to INR 443,11,00,000 (Rupees Four Hundred and Forty Three Crores and Eleven Lacs only) to the Transferor Company, and the CDs (subject to its terms) shall be convertible into equity shares of the Transferee Company (each having a face value of INR 10 (Rupees Ten)) based on a 1:1 ratio and such CDs shall have such terms as mutually agreed between the Transferor Company and Transferee Company, subject to Applicable Law and Clause 23 below.



PART III - GENERAL TERMS AND CONDITIONS

18. ACCOUNTING



P05

The Transferor Company and the Transferee Company shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, in relation to the transactions in this Scheme including but not limited to, to the following:

(a) In the books of the Transferor Company:

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company shall account for the transaction in its books of account in the following manner:

- i) the book value of the assets and liabilities of the Specified Undertaking to the extent identified and being transferred to the Transferee Company in pursuance of this Scheme shall be reduced from the corresponding balances of the assets and liabilities as reflecting in the books of the Transferor Company; and
- ii) the capital reserve of the Transferor Company shall be debited/credited with the difference between the book values of the assets and liabilities in relation to the Specified Undertaking being transferred to the Transferee Company, as reduced by the consideration received/receivable by the Transferor Company from the Transferee Company.

(b) In the books of the Transferee Company:

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for the transaction in its books of account in the following manner:

- i) the Transferee Company shall record assets and liabilities pertaining to the Specified Undertaking being transferred to the Transferee Company pursuant to this Scheme, at their respective carrying value as appearing in the books of Transferor Company; and
- ii) the difference, if any, in the value of assets and liabilities pertaining to the Specified Undertaking being transferred to the Transferee Company pursuant to this Scheme, so recorded in the books of the Transferee Company, as reduced by consideration paid by the Transferee Company to the Transferor Company shall be debited/credited to the capital reserve of the Transferee Company.

19. **CONDITIONS PRECEDENT**

(a) The effectiveness of the Scheme is conditional upon and subject to:

- i. this Scheme being approved by the respective requisite majorities, in number and value, of the various classes of shareholders and creditors, secured and unsecured (where applicable), of each of the Transferor



806

Company and the Transferee Company, as required under the Act and as directed by the Tribunal;

- ii. this Scheme being approved by a majority of the public shareholders of the Transferor Company in accordance with the SEBI Circulars, including in compliance with the provisions for seeking approval through e-voting;
- iii. this Scheme being sanctioned/ approved by the Tribunal under Sections 230-232 and other applicable provisions, if any, of the Act; and
- iv. certified copies of the order of the Tribunal sanctioning/ approving this Scheme being filed with the RoC by the Transferor Company and the Transferee Company.

- (b) Each of the Transferor Company and the Transferee Company shall file the order of the Tribunal sanctioning/ approving this Scheme with the RoC within a period of 30 (thirty) days of receipt of such order.

20. APPROVAL OF THE SHAREHOLDERS AND CREDITORS

On the approval of this Scheme by the shareholders and creditors of the Transferor Company and the Transferee Company, as relevant, such shareholders and creditors shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise, in relation to the Slump Sale of the Specified Undertaking as set out in this Scheme and other related matters contemplated under this Scheme.

21. APPLICATIONS

The Transferor Company and the Transferee Company shall make necessary application(s) under Sections 230 to 232 and other applicable provisions, if any, of the Act to the Tribunal for sanctioning/ approving this Scheme and all matters ancillary or incidental thereto.

22. AUTHORITY OF THE BOARDS; REMOVAL OF DIFFICULTIES

The Transferor Company (through its Board of Directors and/or authorized representatives) and the Transferee Company (through its Board of Directors and/or authorized representatives) shall have the authority to undertake all acts, deeds, matters and things necessary for giving effect to this Scheme.

The Transferor Company and Transferee Company may, by mutual consent and acting through their respective Boards and/or authorised representatives, agree to take all such steps as may be necessary, desirable or proper to resolve all doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith (including as to whether a specific asset or liability or employee or any other component pertains to or arises out of the activities or operations of the



21



807

Specified Undertaking), whether by reason of any directive or order of the Tribunal or any other Governmental Authority or otherwise, howsoever arising out of, under or by virtue of this Scheme.

23. MODIFICATIONS TO THE SCHEME

- (a) Each of the Transferor Company and the Transferee Company will be at liberty to apply to the Tribunal from time to time for necessary directions in matters relating to this Scheme or any terms thereof, in terms of the Act.
- (b) Subject to Applicable Law, the Transferor Company and Transferee Company may, by mutual consent, assent to any modifications/ amendments to this Scheme and/ or to any conditions or limitations that the Tribunal or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.
- (c) Notwithstanding anything to the contrary contained herein, if any part or element of the Scheme (or the Specified Undertaking to be transferred pursuant to the Scheme) cannot be given effect to on account of non-receipt of any consent, approval or permission of any relevant Governmental Authority or any other Person, in each such case in connection with any Specified Element comprised in the Specified Undertaking, then, in such a scenario, as mutually agreed between the parties, the transfer of such Specified Element of the Specified Undertaking may be deferred and given effect to when the relevant consent, approval or permission in respect thereof is received, and the Specified Undertaking without such Specified Element shall be transferred and vested in accordance with the Scheme and the rest of the Scheme shall be given effect, and, in each such case, the relevant clauses of the Scheme (including the scope of the term Specified Undertaking and the consideration payable (as set out in Clause 17) shall be altered and construed accordingly.
- (d) The Transferor Company and the Transferee Company may by mutual consent withdraw the Scheme from the Tribunal.
- (e) The Transferor Company and the Transferee Company, shall exercise the rights available under Clause 17 and this Clause 23 through their respective Boards and/or duly authorized representatives.

24. SEVERABILITY

If any part/ element of the Scheme is ruled invalid or illegal by the Tribunal, or unenforceable under present or future laws, or cannot be given effect to due to regulatory or other legal reasons (including in connection with the scenario contemplated under Clause 23(c)), then, it is the intention of the parties that in each such case the Transferor Company and the Transferee Company (acting through their respective Boards) shall either revoke the Scheme or bring about a modification in the Scheme (including, but not limited to, severing such part/ element of the Scheme and/or Specified Undertaking that cannot be given effect to), as will best preserve for the parties, the benefits and obligations of this Scheme, and, in each such case, the



808

relevant clauses of the Scheme (including the scope of the term Specified Undertaking and the consideration payable (as set out in Clause 17) shall be altered and construed accordingly.

25. COSTS

The Transferee Company shall bear the fees and costs of any financial or technical advisors, lawyers or accountants engaged in relation to the preparation, execution and carrying into effect of this Scheme, and all costs, charges and expenses relating to taxes (including stamp duty but excluding income tax of the Transferor Company) and registration in respect of the Scheme.



Certified True Copy

For JSW Ispat Special Product Limited

Anil Kumar
Authorised Signatory

FOR MIVAAN STEEL LIMITED

Sneha Yashpal
AUTHORISED SIGNATORY



23



Certified True Copy

Date of Application 19/5/2023

Number of Pages 23

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Copy prepared on 09/06/2023

Copy Issued on 09/06/2023

P. S. Suman
Deputy Registrar 09/06/23